

On Day 1, e-rupee pilot sees trades of ₹275 cr

FE BUREAU

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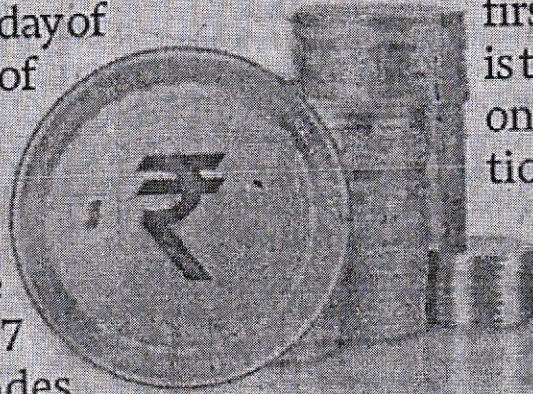
TRADES USING central bank digital currency, or the e-rupee, in the government securities secondary market went live on Tuesday, recording a total value of ₹275 crore. There were 48 trades on the first day of the Reserve Bank of India's pilot run.

Banks transacted 24 deals worth ₹140 crore in 7.38% 2027 bonds, 23 trades

worth ₹130 crore in 7.26% 2032 bonds and one transaction in the 6.54% 2032 bond.

"Since this was the first day, some deals only in liquid bonds were settled using CBDC (central bank digital currency)," a trader with a state-run bank said.

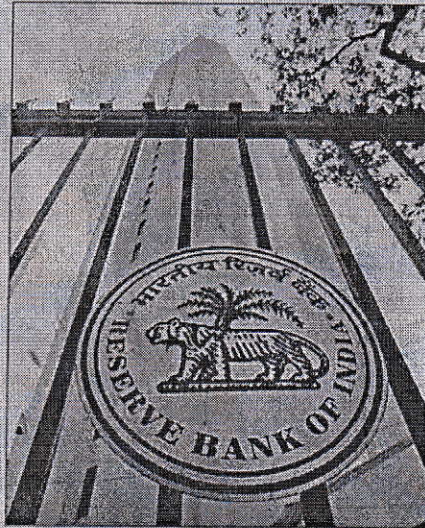
As has been mentioned, the first use case of e-rupee is the settlement of secondary market transactions in government securities.



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In this regard, the entire process of e-rupee issuance, redemption, and trading and settlement was successfully tested on the first day of the pilot run. Features like instant creation and issuance of currency and atomic settlement (i.e. simultaneous settlement of fund and securities) of bilateral transactions were operationalised.



On Monday, the RBI announced the first pilot of the CBDC in the wholesale format. Nine banks are participating in the pilot, including State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank and HSBC.

In the next phase, the central bank proposes to launch the digital rupee in the retail segment in a month in select locations and for closed user groups comprising customers and merchants. The operational guidelines for retail use will be issued in due course, the regulator said.

It "will provide the users the same experience of dealing in currency in digital form, without any risks associated with private cryptocurrencies", the RBI had said in a concept note.